

Minutes

Missouri Tax Credit Review Commission

Global Issues Credit Committee

November 16, 2012

The Global Issues Committee of the Missouri Tax Credit Review Commission met on November 16, 2012 at 10:00 a.m. The meeting was held in person at the University Club of MU, Columns C Room, Donald W. Reynolds Alumni Center, 107 Conley Avenue, Columbia, Missouri 65211, and via conference call.

Commission members present:

Chuck Gross, Chairman
Steven Stogel
Mark Gardner
Pete Levi
Alan Marble
Tom Reeves
Jim Anderson
Craig Van Matre

Department Staff Present:

Sallie Hemenway	Department of Economic Development
Jason Zamkus	Department of Economic Development
Chris Pieper	Department of Economic Development
Jennifer Tidwell	Missouri Housing Development Commission
Megan Word	Missouri Housing Development Commission
Donna Imhoff	Missouri Department of Social Services
Nia Ray	Missouri Department of Economic Development
Alan Spell	Missouri Department of Economic Development
Grady Martin	Missouri Department of Insurance, Finance and Professional Registration
Susan Cardwell	Missouri Department of Insurance, Finance and Professional Registration

Interested Parties:

Leon Krieg
Donna Imhoff
Karen Korenberg

Cecile Landrum
David Valentine
Bill Ratliff
Craig Overfelt
David Zimmermann
Jim Farrell
Bill Hart
Holly Peterson
Pat Dougherty
Tom Sullivan
Emily Wright

WELCOME AND CALL TO ORDER

Having established a quorum of the membership, Chairman Gross welcomed the members of the Committee witnesses, and agency staff and called to order the meeting of the Global Issues Committee of the Missouri Tax Credit Review Commission.

COMMISSIONER DISCUSSION

The Committee discussed the recommendations from the 2010 report and heard a recap of the legislative activity relative to all tax credits since 2010. That recap was provided by Jason Zamkus. The Committee discussed “return on investment” and invited expert testimony from Dr. Tom Johnston, MU School of Public Policy and Mr. Alan Spell, Missouri Department of Economic Development to discuss various means to measure the effectiveness of tax credits. The Committee also discussed tax credit “caps”, “sunsets”, the repeal of 28 tax credit programs, “carry forward” and “carry back” features, common “clawbacks” and penalty language, “cost reasonableness” and the annual appropriations process. The committee also discussed tax credit “stacking” referencing the recent Missouri Auditor’s report on the same topic, “related party transactions”, the impacts of the recession, “shadow” housing, and bidding and procurement practices as they relate to tax credit programs.

COMMITTEE ACTIONS

The Committee reaffirmed the language in the 2010 TCRC Commission Report regarding “caps”, the “repeal of the 28 tax credit programs”, “carry forward” and “carry back”, common “clawbacks” and penalty language, and the appropriations process.

The Committee recommended drafting additional language for the “return on investment” and “cost reasonableness, “sunsets”, “and related party transactions”, and “bidding and procurement”.

The Committee recommended that the question of whether to adopt the federal rule regarding “stacking” of LIHTC and Historic and the requirement of reducing the basis of one credit by the amount of the other program credit to avoid “double dipping” should be sent back to the TCRC Historic and Low Income Housing Committee’s for consideration.

ADJOURNMENT

The Committee recessed.